

### **REMARKS**

Reconsideration of the present application is respectfully requested. Claims 1-7, 9-13, and 15-38 were previously pending, with claims 1, 12, 18, 21, 22, and 32 being independent. Claims 1, 12, 15, 16, 17, 18, 21, and 32 are herein amended, and claim 39 has been added. Therefore claims 1-7, 9-13, and 15-39 are currently pending with claims 1, 12, 18, 21, 22, 32, and 39 being independent.

Applicants would like to thank the Examiner for his time and attention courteously extended to Applicant's representative, Kameron Kelly, during the in-person interview conducted on January 29, 2007. During the interview, the Examiner and Applicant's representative were able to discuss and agree upon claim amendments that overcome all the objections and rejections presented in the Office Action of December 21, 2006.

In this Amendment, the claims have been amended as proposed in the interview of January 29, 2007. Therefore, Applicants submit that all the objections and rejections presented in the Office Action of December 21, 2006 have been overcome.

In addition, Applicants have added new independent claim 39. New independent claim 39 recites that shifting of the drilling shoe from the rotatable to the locked configuration is caused by axially shifting one of the fixed and rotatable sections relative to the other of the fixed and rotatable sections. As discussed in the interview, the prior art of record does not disclose such a feature.


In view of the foregoing, the present application should now be in condition for allowance and such allowance is respectfully requested. Should the Examiner have any questions, please contact the undersigned at (800) 445-3460.

Please deduct the amount of \$200.00 from Deposit Account No. 19-0522 for the 1 additional independent claim. The Commissioner is hereby authorized to charge any additional fees associated with this communication or credit any overpayment to Deposit Account No. 19-0522.

Respectfully submitted,

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By:



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